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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/835,605	04/16/2001	Peter L. Ciampi	10371/8	3056

7590 02/26/2004

c/o Matthew J. Kelly
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P.O. Box 10395
Chicago, IL 60610

EXAMINER

AKERS, GEOFFREY R

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 02/26/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/835605

Applicant(s)

Cisampi

Examiner

Akens, G

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 4/16/01
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 2 6) ☐ Other:

DETAILED ACTION

Claim Rejections - 35 USC § 103

1. Claims 1-32 are rejected under 35 USC 103(a) as unpatentable over Fernholz(US Pat. No: 5,819,238) in view of Luskin(US Pat. No: 5,812,987).

2. As per claims 1-32 Fernholz teaches adjusting a portfolio through dynamically reweighting of the positions in each security in a financial index(Abstract)(Fig 3/330/325/240)(col 4 line 40-col 5 line 42). Fernholz also teaches parametric description of a portfolio and its assets(Fig 5/510/520/530/540). Fernholz further teaches a dynamic portfolio management program(Fig 6A/600/610/620/630) as well as an account management routine(Fig 6B/650/654/656/658/662/664/666/668)(Fig 6C). Fernholz also teaches a target proportion determination routine(Fig 7A/705/710/715) also consisting of selecting a security in the security set(Fig 7A/715) and calculating temporary proportions for security(Fig 7A/720) in which all securities in the set are selected(Fig 7A/725) and all temporary proportions are normalized to sum to 1(Fig 7A/740). Fernholz also teaches a current proportion determination routine(Fig 8) consisting of calculating a portfolio value of account(index)(Fig 8/810) as well as calculating current proportions of portfolio attributable to a security I(Fig 8/850) and performing this for all N securities $I=1..N$. Also, Fernholz teaches a trade determination routine for shares(Fig 9A) which incorporates trading shares, trading indicators, (Fig 9A/905) and updating portfolio value(Fig 9B). Fernholz also teaches a cash control routine(Fig 10A/1025/1030) and which includes cash to be changed(Fig 10B/1045/1050/1055/1060) and which results in

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modifying the portfolio value and cash balances(Fig 10B/1065).Fernholz also teaches comparison and display between S&P 500 weighting and dynamic weighting(Fig 11/1100).In addition to that taught by Fernholz, Luskin also teaches a computer-implemented investment fund management system with dynamic risk adjusted allocation of assets(Abstract)(col 2 line 29-col 3 line 5).Luskin also teaches an investor database(Fig 3/112) and a fund database(Fig 3/110) inside a memory(Fig 3/108).Luskin teaches adjusting the investment mix(Fig 4/522) which consists of bonds,oil,gold,gas and other assets of a variety of types(col 2 lines 31-34) through exchange(col 3 lines 56-67) and altering the cash distribution. Luskin teaches funds with different risk characteristics(col 4 lines 11-25) and compositions. Luskin also teaches that the change in distribution of available cash values varies as a function of the risk tolerance(col 5 lines 16-19). Luskin also teaches distributing cash among assets in a fund(col 6 lines 20-32) as well as adjusting the investment mix as a function of the risk tolerance(col 6 lines 32-46)(Figs 5A-5D).Luskin teaches international equities as portfolios to manage assets(Table I)(col 8 lines 48-62).Luskin also teaches strategic asset class weights(col 9 lines 3-21)(Fig 8)(col 9 lines 22-36).Luskin teaches an asset class correlation matrix(col 10 lines 20-30) which determines a portfolio's efficient frontier which determines the optimal mix of a given set of asset classes for any given desired level of risk. Luskin defines an international constraint(col 10 line 43)(col 10 lin 50-col 11 line 22). It would have been obvious to one skilled in the art at the time of the invention to combine Fernholz in view of Luskin to teach the disclosure. The motivation is to teach a means of pricing a financial asset to permit prudent investing through strategic asset

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allocation in response to changing market conditions as enunciated by Luskin(col 2 lines 18-25).

Conclusion

3. THIS ACTION IS NON-FINAL.

4. Questions regarding this communication should be addressed to the examiner, Dr. Geoffrey Akers, P.E. who can be reached at (703)-306-5844 between the hours of 6:30 AM and 5:00 PM Monday through Friday. If attempts to contact the examiner are unsuccessful, the examiner's supervisor, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

GRA

February 21, 2004

GEOFFREY R. AKERS, P.E.
PRIMARY EXAMINER